10 November 1987

MEMORANDUM FOR:

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SUBJECT:

LATE ITEM FOR PFIAB BRIEFING, 11 NOVEMBER 87

Anne Armstrong will be unable to attend your briefing of PFIAB on Wednesday because of a family illness. Since she was the member most interested in the Yurchenko case, you may want to drop this subject from your briefing and save it for a later session when Ms. Armstrong can be in attendance.

Gary Schmitt, Executive Director of the PFIAB staff, suggests that should you drop Yurchenko, it could be replaced with a discussion of the Soviet leadership situation. Attached are talking points you could use in making a presentation on this issue. Also attached are a number of recent current intelligence items from the NID that provide additional background on leadership developments in the Soviet Union.

Attachments	

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TALKING POINTS FOR THE DCI: THE SOVIET LEADERSHIP SITUATION

Recent events have brought apparently long-simmering differences within the Soviet leadership over the scope and pace of reform to the surface. In his speech commemorating the 70th anniversary of the Russian Revolution earlier this week, General Secretary Gorbachev took a cautious approach to controversial historical questions, reflecting an uneasy balance between reformers and conservatives in the top leadership as well as broad resistance to reform in the Central Committee. Together with the political setback suffered by reformist Moscow party chief Boris Yel'tsin, the speech indicates that party conservatives led by Second Secretary Yegor Ligachev have succeeded at least temporarily in stalling Gorbachev's aggressive reform agenda.

I. The June Plenum: A Victory for Reformers

Gorbachev's reform campaign appeared to reach a crescendo this June when a Central Committee plenum backed his plans for "radical" economic reform and political "democratization," and strengthened his control over the party's leadership bodies.

- o The Central Committee approved a comprehensive program of economic reform designed to loosen central controls over economic decision making and give greater scope to market sectors.
- o It decided to convene the first party conference since 1941, which Gorbachev probably hopes will rid the Central Committee of recalcitrant holdovers from the Brezhnev era and give him more solid control over what has been the most conservative party leadership organ.
- o It promoted three reform-minded party secretaries to full Politburo membership, dramatically increasing the representation of Gorbachev's main power base -- the Secretariat -- in the policymaking Politburo. Of the three new Politburo members, the responsibilities of two cut directly into those of Ligachev.

II. A Conservative Counterattack

The influence of more conservative members of the leadership — especially within the Central Committee — has remained strong despite Gorbachev's apparent gains, however, and has found an increasingly outspoken mouthpiece in Ligachev. Following the June plenum — particularly in August and September, when Gorbachev was vacationing — conservatives began to speak out more frequently about the need to set limits on the reform process.

o In spite of the apparent diminution of his authority at the June plenum, Ligachev has maintained a high profile in a number of areas, and his repeated emphasis on cautious reform appeals ideologically to a broad range of officials who feel their positions threatened by radical reform.

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distance himself from the Moscow leader and preserve a semblance of leadership consensus rather than confront Ligachev and the conservatives head-on.

Yel'tsin's political position has been severely damaged, and his removal may be imminent unless Gorbachev gives him stronger backing. The dismissal of a leader so closely associated with Gorbachev's reforms, however, would certainly reflect poorly on the General Secretary, send a signal to other reformers to lay low, and possibly put a brake on the reform process itself.

The fallout from the Yel'tsin Affair reinforces the image of a leadership increasingly polarized by disagreement over reform, and raises serious questions about Gorbachev's ability to maintain a balance between impatient reformers and skeptical conservatives.

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O	Sorbachev used his 2 November speech to admonish both sides and stake out a middle ground emphasizing the need to push the reform agenda orward, but at a safe speed.	
ti t	n the wake of recent events, Gorbachev will probably try to preserve at least he appearance of Politburo unity while at the same time seeking to outflank hose who pose a serious obstacle to successful implementation of his eform program.	25 X 1
The ten to move deci to Moscow, b	sions in the leadership may have contributed to Gorbachev's unwillingness sively on arms control and the summit during the Secretary of State's visit but his subsequent decision to come to Washington suggests that his foreign s not been directly affected by recent events.	
o	f Gorbachev continues to have problems on domestic issues, however, his opponents may criticize his arms control initiatives as a means of showing lispleasure with his overall program.	25X1
rs	OVA/DPD/LP. (4 November 1987)	25 X 1

